

**EXHIBIT B**

## Guide to Working at Lehman Brothers

### Message from Richard S. Fuld, Jr., Chairman and Chief Executive Officer

Dear Colleague:

At Lehman Brothers, we have achieved our success to date through the efforts and dedication of our people. Our momentum will continue to be driven by contributions of talented people like you.

To maintain our success, it is important that you understand how the Firm expects you to conduct yourself, both internally and externally. As part of our ongoing efforts to communicate these expectations, we have developed this Guide outlining Lehman Brothers' policies and procedures. The Guide also serves as a valuable source of other information, describing the services and benefits offered by the Firm.

While all of the policies contained in the Guide are important, it is particularly worth noting the Firm's Equal Employment Opportunity Policy, as it touches on many principles to which we are committed. Through this commitment, the Firm promotes a work environment in which you are treated with respect and dignity and are recognized and rewarded based on merit.

By observing the Firm's policies and procedures – and understanding the spirit and principles behind them – Lehman Brothers will continue to be a great place to work.

Sincerely,



A handwritten signature in dark ink that reads "Richard S. Fuld, Jr." in a cursive style.

**Richard S. Fuld, Jr.**  
Chairman and Chief Executive Officer,  
Lehman Brothers

### Employment at Will

Your employment is "at will." This means that your employment is for no definite period and can be terminated by you or the Firm for any reason or no reason at all, with or without notice (subject to any applicable requirements under the Firm's written notice policy in the separation section of this Guide).

The provisions contained in this Guide are for your information. This Guide does not create a contract or employment rights, and none of its provisions is a guarantee or a

promise of any kind. The Firm may change, supplement, and/or withdraw any or all of the provisions of this Guide at any time, with or without notice. Accordingly, nothing in this Guide changes your status as an employee "at will."

## **Introduction**

### **Using Your Guide**

The Guide (LehmanLive, keyword: guide) has been designed to provide you with information regarding the terms, conditions, benefits and programs that Lehman Brothers offers, as well as the policies and procedures that govern day-to-day activities and conduct at the Firm. Please refer questions regarding specific practices and policies to your divisional Human Resources representative.

Lehman Brothers reserves the right to revise or discontinue, at any time and without notice, any or all of the terms, conditions, benefits, programs, policies, and procedures described in this guide. You are therefore encouraged to access the Firm's Intranet for the most current information relating to the terms, conditions, benefits, programs, policies and procedures governing your employment. This Guide supersedes any prior handbooks and may be revised from time to time.

Unless otherwise required by applicable law, this Guide contains policies and procedures relating to U.S.-based individuals. Throughout the Guide, "Lehman Brothers" and "the Firm" are used interchangeably to refer to Lehman Brothers Holdings Inc. and its affiliates.

This Guide may not apply to certain affiliates of the Firm. If you are employed by an affiliated company, you should contact your divisional Human Resources representative for a copy of the guide applicable to your employment.

### **Equal Employment Opportunity**

#### **Policy**

Lehman Brothers is committed to the principles of equal employment opportunity and affirmative action. The Firm does not discriminate against any employee or applicant for employment because of race, color, ethnicity, religion, gender, national origin, veteran status, disability, age, citizenship, marital or domestic/civil partnership status, sexual orientation, gender identity or expression, pregnancy status, or because of any other criteria prohibited under applicable law. As part of our commitment to affirmative action, the Firm takes affirmative steps to ensure that applicants for employment and employees are treated without regard to their race, color, religion, gender, national origin, veteran status or disability.

All activities of the Firm including, but not limited to, recruiting and hiring (including recruitment advertising), promotions and transfers, performance appraisals, training, job assignments, compensation, terminations (including layoffs), benefits and other terms, conditions and privileges of employment are administered on a non-discriminatory basis, consistent with applicable law. An essential part of the Firm's equal employment opportunity policy is to provide a working environment for all employees that is free of harassment, intimidation or retaliation on any unlawful basis. Sexual, racial, and other forms of harassment are expressly prohibited.

In keeping with the Firm's commitment to maintaining a work environment based on inclusion and respect, employees are prohibited from entertaining for business purposes (including entertaining, or being entertained by, clients or other employees) in public or private facilities that discriminate against and/or present a hostile or uncomfortable environment for clients or employees. Included under this policy are clubs featuring exotic, nude or topless dancers/hosts/hostesses, and Lehman-branded events at venues with policies restricting membership or use based on any of the protected characteristics listed in this policy statement above.

#### Affirmative Action

As a government contractor, the Firm maintains Affirmative Action Plans to assist us in meeting our obligations in this regard. The Firm's Manager of Affirmative Action has been given the responsibility for the day to day implementation and monitoring of the Firm's Affirmative Action Plan. Relevant sections of the Firm's Affirmative Action Program are available for inspection during regular business hours. If an employee or applicant for employment has any questions about this policy or would like to be considered under our Affirmative Action Plan, please contact the Manager of Affirmative Action at (212) 526-7989.

#### Employee Responsibility

Employees are responsible for ensuring adherence to this policy and for taking appropriate and immediate action as described below if they believe that a violation of this policy has occurred or if they become aware that someone is alleging that a violation has occurred. In addition, employees are responsible for supporting programs and practices designed to develop an understanding and acceptance of, commitment to and compliance with this policy.

In addition, employees should avoid any conduct that would give the appearance of impropriety in relationships with their subordinates or with others over whom they have direct or indirect influence for purposes of employment decisions, such as compensation, advancement and continuing employment.

#### Procedures for Reporting Policy Violations

Employees or job applicants are encouraged to report violations of this policy. Employees should report violations to their immediate supervisor, their divisional Human Resources Director or an Employee Relations Specialist. Job applicants are encouraged to report violations of this policy to Corporate Human Resources/Employee Relations. Retaliation against employees or applicants who report violations is strictly prohibited. In addition, employees and applicants are protected from coercion, intimidation, interference or discrimination as a result of reporting violations or assisting in an investigation.

Investigations will be handled as discretely as practicable and appropriate corrective action will be taken whenever violations of this policy are determined to have occurred. Depending upon the nature of the violation, the individual found to have violated this policy will be subject to disciplinary action, up to and including termination of employment. Also, anyone interfering with an investigation, or providing information that the individual knows to be inaccurate, will be subject to disciplinary action, up to and including termination of employment.

### **Reasonable Accommodation**

Lehman Brothers recognizes that individuals with disabilities may need reasonable accommodation with respect to their employment with the Firm. If you need accommodation at any time during your employment with the Firm as a result of a disability, you are strongly encouraged to contact your divisional Human Resources representative or an Employee Relations Specialist regarding your request. Applicants for employment who need accommodation should contact Corporate Human Resources/Staffing Services.

To the maximum extent possible, all information regarding disabilities or requests for accommodation will be kept confidential.

### **Sexual Harassment**

#### Policy

Lehman Brothers strictly prohibits sexual harassment. If an employee becomes aware of any incidents of inappropriate behavior as described in this policy, he/she should contact his/her divisional Human Resources representative or an Employee Relations Specialist.

#### Definition

Sexual harassment refers to verbal, physical or other behavior of a sexual nature that is not welcome, that is personally offensive, and that fails to respect the rights of others, thereby interfering with an employee's ability to do his/her job.

Sexual harassment can occur in the office, at business meetings or business meals, or at private sites, wherever employees and/or other business affiliates (e.g., clients, applicants and vendors) meet.

Sexual harassment includes unwelcome sexual advances, requests for sexual favors, and other verbal, visual or physical conduct of a sexual nature.

Sexual harassment occurs when a supervisor or other employee threatens or insinuates, either explicitly or implicitly, that another employee's, applicant's or vendor's refusal to submit to sexual advances will affect that person's employment, job evaluation, wages, advancement, or any other terms or conditions or privileges of employment.

Sexual harassment also includes repeated unwelcome sexual flirtations, advances or sexual propositions, subtle pressure or requests for sexual activities, unnecessary touching of an individual, graphic or verbal commentaries about an individual's body, sexually degrading words used to describe an individual, a display in the workplace of sexually suggestive objects or pictures, repeated telling of sexually offensive jokes, physical assault or other conduct that has the purpose or effect of interfering with an individual's work performance or creating an intimidating, hostile or offensive working environment.

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Employees are responsible for ensuring adherence to this policy and for taking appropriate and immediate action as described below if they believe that a violation of this policy has occurred or if they become aware that someone is alleging that a violation has occurred. In addition, employees are responsible for supporting programs and practices designed to develop an understanding and acceptance of, commitment to and compliance with this policy.

No supervisor or other employee shall threaten or insinuate, either explicitly or implicitly, that another employee's, applicant's or vendor's refusal to submit to sexual advances will affect any person's employment, job evaluation, wages, advancement, or any other terms or conditions or privileges of employment.

In addition, employees should avoid any conduct that would give the appearance of impropriety in relationships with their subordinates or with others over whom they have direct or indirect influence for purposes of employment decisions, such as compensation, advancement and continuing employment.

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Retaliation against employees or applicants who report violations is strictly prohibited. In addition, employees and applicants are protected from coercion, intimidation, interference or discrimination as a result of reporting violations or assisting in an investigation.

Investigations into alleged violations of this policy will be handled as discreetly as practicable and appropriate corrective action will be taken whenever violations are determined to have occurred. Depending upon the nature of the violation, any individuals found to have violated this policy are subject to disciplinary action, up to and including termination. Anyone interfering with, or providing information that the individual knows to be inaccurate during an investigation may be subject to disciplinary action, up to and including termination.

### **Hours of Work/Compensation**

#### **Work Week**

The regularly scheduled work week is generally Monday through Friday. However, other work week schedules may be established by your manager to meet specific business and personal needs. Your work week is considered to be the days that you are normally scheduled to work.

#### **Employment Status Definitions**

If you are benefits-eligible you are entitled to certain policies, programs and benefits offered by the Firm.

You are classified as benefits-eligible if:

- You are an active employee of Lehman Brothers Holdings Inc., Lehman Brothers Inc. or a participating affiliate (a list of participating affiliates is available from the HR Service Center); and
- You are an employee on the U.S. payroll who is regularly scheduled to work 20 hours or more per week; and
- If you are based outside of the United States, you are subject to U.S. income and Social Security taxes.

Temporary/seasonal individuals are regularly scheduled to work for a limited, defined period of time (e.g., a summer internship) and are not benefits-eligible.

#### **Overtime**

Lehman Brothers complies with applicable laws regarding minimum wage and overtime payments. All overtime work, however, must be approved in advance by your manager.

For purposes of wage and hour laws, your employment with the Firm is classified as either exempt or non-exempt. The determination of this status is dependent upon a variety of factors, including your job duties and responsibilities. Your divisional Human Resources representative can provide you with information relating to your exemption status.

Non-exempt individuals are paid one and one-half times their regular rate of pay for all hours worked in excess of 40 hours in a work week or as may be required to be in compliance with state law or local ordinance. Meal breaks are not included in the overtime calculation.

Please note:

For the purpose of calculating overtime, paid time off for vacation, holidays, and approved sick or personal days are considered as hours worked.

From time to time, your manager may require you to work overtime. The Firm generally will try to give you reasonable notice in advance of the need for you to work overtime.

Generally, overtime pay will be reflected in the paycheck following the pay period in which it is submitted to payroll for processing.

Exempt individuals do not receive overtime pay for additional hours worked each week.

Failure to comply with the Firm's overtime policy may result in appropriate disciplinary action, up to and including termination of employment.

### **Shift Differentials**

Lehman Brothers may pay shift differentials to members of the Firm whose regularly scheduled hours of work differ from the Firm's regular working hours. Compensation practices for individuals working such shifts are as follows:

- Full-time individuals on shifts starting between 4:00 P.M. EST and 9:59 P.M. EST receive an additional 10% of the regular rate of base pay for their positions.
- Full-time individuals on shifts starting between 10:00 P.M. EST and 3:59 A.M. EST receive an additional 15% of the regular rate of base pay for their positions.

### **Meal Breaks**

Lehman Brothers complies with applicable laws regarding meal breaks in the states and localities in which the Firm conducts business. You are expected to take meal breaks afforded under state law. For more information regarding the meal breaks applicable in your state, contact your divisional Human Resources representative.



## **Pay Days**

Generally, individuals on the U.S. payroll are paid their salaries on a current bi-weekly basis. Fully-commissioned individuals are paid once a month, for the previous month's production.

## **Time Sheets**

If you are classified as non-exempt, you are required to complete accurate time sheets using the Time and Attendance System ("TAS") at LehmanLive, keyword: tas. You should record your hours worked into TAS on a daily basis. Your time sheets are then submitted electronically for approval by your supervisor and processing by payroll. Your time sheets must state the actual, not approximate, times you begin and end work each day. Any absence should be noted on your time sheet, along with the reason for your absence.

You should sign out before you leave for, and sign in upon return from, any non-working time during the workday including lunch and dinner breaks unless otherwise authorized. These breaks are not considered paid time for purposes of calculating overtime. Your business unit may require you to sign in and out for shorter breaks. You may only record hours for yourself; you may not record this information for any other colleague.

## **Flexible Work Arrangements**

Lehman Brothers is committed to helping you manage the demands of your career and personal life so that you can operate at peak performance in all areas of your life. Delivering on this commitment is central to our ability to attract and retain top talent. We seek to nurture talented individuals over the arc of their careers and we know this goal requires that we be open to new and innovative ways of working

Offering an array of life management programs and policies is central to delivering a workplace where people that they can be their very best. In certain instances, it may be appropriate to have a flexible work arrangement that meets both your needs and the Firm's.

For information on flexible work arrangements visit the Working Flexibly at Lehman page on LehmanLive, keyword: flexibility. Here you will find online training for employees and managers, useful tips, best practices, frequently asked questions, key contacts, quicklinks to relevant life management resources the Firm offers, the Guide to Working from Home and the flexible work arrangement application.

## **Compensation**

Lehman Brothers is committed to attracting and retaining the most highly qualified individuals. To this end, the Firm pays you on a "total compensation" basis. This means

that the Firm's pay practices are designed to acknowledge your contributions throughout the year on an aggregate basis. Total compensation may include base salary, cash commissions, overtime, bonus payments, conditional equity awards (in accordance with the Lehman Brothers Equity Award Program), and other compensation.

Salaries and bonuses are reviewed on an annual basis to ensure consistency within the Firm and with our competitors.

### **Bonuses**

Bonuses may be awarded annually at the sole discretion of the Firm, with the dates of bonus communication and distribution varying from year to year. Bonuses are discretionary unless otherwise agreed upon in writing. The size and/or payment of bonuses are governed by the following guidelines:

- Bonuses are contingent upon the approval of the final bonus pool by the Compensation and Benefits Committee of the Board of Directors of Lehman Brothers Holdings Inc.
- A portion of bonuses may be awarded through the Lehman Brothers Equity Award Program or other Firm-sponsored programs.
- Only those individuals who are actively employed at the time bonuses are paid are eligible to receive consideration for, or payment of, a bonus. Partial or pro-rata bonuses are not paid to those who separate from the Firm or who are notified that their employment is being terminated before bonuses are paid.
- The cash portion of any bonus payment may be reduced by any outstanding advances, loans or other employee obligations to the Firm, as well as applicable tax and other withholding at the time bonuses are paid.
- Certain individuals may not receive a bonus in any given fiscal year based upon their performance, business conditions or other factors.

Please consult with your manager or your divisional Human Resources representative if you have any questions relating to bonus compensation.

### **Equity Award Program**

At the Firm's option, a portion of your total compensation (combined base salary, bonus and other compensation) may be payable in the form of conditional equity awards (restricted stock units ("RSUs"), stock options, or other equity awards) pursuant to the Firm's Equity Award Program. The grant of RSUs is subject to the applicable controlling plan documents available on LehmanLive, keyword: equityaward or contact Corporate Human Resources/Compensation at (212) 526-8346 (5-8346) for further details.

## **Direct Deposit**

Lehman Brothers provides you with the option of enrolling in automatic direct deposit of regular payroll checks each payday. If you wish to enroll in direct deposit, contact your divisional Human Resources representative or go to LehmanLive, keyword: payroll to obtain the authorization form. Once enrolled, you can view an online copy of your pay stub by visiting LehmanLive, keyword: epay.

If you decide not to enroll in direct deposit, you will receive a payroll check each payday. You are encouraged to review your paycheck on a regular basis to confirm that your personal information is current and that the compensation paid is accurate.

## **Time Off**

### **Holidays - Firm**

Lehman Brothers' holiday schedule conforms to that of the New York Stock Exchange. The following holidays are generally observed:

- New Year's Day
- Martin Luther King, Jr. Day
- Presidents' Day
- Good Friday
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Christmas Day

### **Holiday Pay Eligibility**

- If you are benefits-eligible and you are not required to work on a Firm-observed holiday, you are eligible to receive a regular day's rate of pay for the holiday.
- If you are not benefits-eligible, you are not eligible for holiday pay.

### **Working on a Firm Holiday**

- If you are benefits-eligible, non-exempt and required to work on a Firm-observed holiday, you are entitled to receive a regular day's pay and are eligible for either one and one-half times your regular rate of pay for the actual hours worked, or a floating holiday.
- If you are benefits-eligible, exempt and required to work on a Firm-observed holiday, you are not entitled to receive any pay in addition to your regular rate of pay.

- If you are not benefits-eligible and required to work on a Firm-observed holiday, you will receive your regular rate of pay for the actual hours worked with no additional compensation.

### **Holidays - Bank**

Occasionally, there are bank holidays such as Columbus Day and Veterans' Day on which the Firm is not closed. Certain division's activities, however, are directly affected by bank/exchange closings (e.g., Fixed Income Division).

If your division is affected by a bank holiday, your manager will determine whether you need to report to work. If you are not required to work on a bank holiday, the day will not be recorded as a vacation or personal day. If your manager determines that you need to report to work on a bank holiday, you are not eligible for an additional day off. If your manager determines that you need to report to work and you request a day off, an authorized day off will be recorded as a vacation or personal day.

### **Vacation**

Lehman Brothers offers a vacation policy that provides individuals with time away from work to relax and rejuvenate, as well as to meet personal life demands. We strongly encourage you to take all the days to which you are entitled.

#### Vacation Eligibility

If you are an active full-time employee, and have completed at least one year of service, you are eligible for paid vacation time, based on your length of employment and corporate title, according to the schedule below.

<u>Title/Tenure</u>	<u>Amount of Vacation</u>
<u>Up to Vice President level</u>	
New hire Jan 1 – Jun 30	2 weeks <sup>1</sup>
New hire July 1 – Dec 31	2 weeks <sup>2</sup>
Through the 5th anniversary	3 weeks
On the 5th anniversary	4 weeks
On the 10th anniversary	4 weeks

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<sup>1</sup> Eligible after 6 months of continuous employment. Eligible for 3 weeks in the second calendar year of employment.

<sup>2</sup> Eligible after 6 months of continuous employment. Eligible for an additional week following the anniversary date in the second calendar year of employment. Eligible for 3 weeks in the next calendar year of employment.

On the 15th anniversary	4 weeks
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On the 20th anniversary	5 weeks
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On the 25th anniversary	5 weeks
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Vice Presidents and Above

New hire Jan 1 - Jun 30	2 weeks <sup>3</sup>
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New hire July 1 – Dec 31	2 weeks <sup>4</sup>
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Through the 5th anniversary	4 weeks
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On the 5th anniversary	4 weeks
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On the 15th anniversary	5 weeks
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On the 25 <sup>th</sup> anniversary	5 weeks
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On the 30th anniversary	6 weeks
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In addition to the schedule above, full-time employees who have completed one year of service will be eligible for one week of unpaid vacation time per vacation year. This week is available after all paid vacation time has been used and when additional vacation time may be needed. Unpaid vacation time will be approved only for five consecutive days away from the office.

Vacation time may be scheduled at any time mutually convenient for you and your department, and should be confirmed with your immediate supervisor in advance. The Firm's vacation year begins January 1 and ends December 31. Vacation time may be taken in half-day or full-day increments. Vacation time that is not taken in the calendar year in which you become eligible for it may not be carried over into the subsequent calendar year unless it is approved in writing by your manager and your divisional Human Resources director. In addition, if your employment commences between January 1 and June 30, you may use your vacation time through December 31 of the following calendar year. Please note that you will not receive compensation in lieu of unused vacation time unless required by applicable law.

Break in Service

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<sup>3</sup> Eligible after 6 months of continuous employment. Eligible for 4 weeks in the second calendar year of employment.

<sup>4</sup> Eligible after 6 months of continuous employment. Eligible for 2 additional weeks following the anniversary date in the second calendar year of employment. Eligible for 4 weeks in the next calendar year of employment.

If you have prior service with Lehman Brothers or one of its predecessor firms, you may receive credit for your prior service for purposes of determining vacation eligibility. If you return to Lehman Brothers within one year of your separation date, and you had at least one year of service prior to your separation, all prior service will be credited for vacation eligibility purposes. Uninterrupted periods of employment are added together to determine the actual length of service for vacation. Any break in service is not included in calculating the total length of service.

After your rehire date, you are eligible for vacation after completing six months of service.

#### **Vacation Eligibility for Part-time Salaried and Part-time Hourly Individuals**

If you are regularly scheduled to work a minimum of 20 hours per week on an ongoing basis, you are eligible for vacation according to the schedule above. Your vacation eligibility is determined by your regular or average work schedule. For example: If your regularly-scheduled work week is 3 days or 20 hours per week, and according to the schedule you are eligible for 3 weeks of vacation, your vacation eligibility would be 3 weeks of 3 days, or 3 weeks of 20 hours, for a total of 9 days or 60 hours of vacation.

#### **Vacation Eligibility for Commissioned Individuals**

Investment Representatives and other individuals paid by draw and/or commissions are eligible for the same vacation schedule as other members of the Firm. If you are paid through commissions or on a draw, you are eligible to receive any applicable draw and/or commissions generated in your absence as agreed upon by your manager and your divisional Human Resources director.

#### **Change of Status**

If your status changes (e.g., part-time to full-time, promotion to Vice President), you are eligible for vacation time at the new level, effective immediately, according to your total length of service.

#### **Vacation Eligibility When You Separate**

If you separate from the Firm, either voluntarily or involuntarily, you will not receive pay in lieu of unused vacation days, except as required by applicable law or pursuant to Lehman Brothers Inc. Severance Plan.

Please note that some of the policies described may vary somewhat from state to state in accordance with local legal requirements. In particular, employees in California should consult with Human Resources concerning special rules relating to the accrual and taking of vacation and personal time.

#### **Personal Days**

The Firm provides you with days off to attend to personal matters during the year. Similar to vacation time, personal days should be scheduled with your manager in advance, when

possible. Benefits-eligible employees are entitled to personal days each calendar year after six months of continuous employment as indicated below.

- If you work five days per week, you are entitled to three personal days.
- If work three or four days per week, you are entitled to two personal days.
- If you work one or two days per week, you are eligible for one personal day.

If you are not benefits-eligible, you are not entitled to personal days.

Unused personal days may not be carried over into the next calendar year, nor will you receive pay in lieu of any unused personal days, unless otherwise required by applicable law.

### **Time Off To Vote**

The Firm supports your right to vote in national, state and local elections. Each Election Day, the Firm will provide you with information detailing the polling hours in your state.

When possible, you should make arrangements to vote before or after regular work hours. If you are unable to vote during non-working time, you should request time away from the office from your manager.

### **Sick Days**

Lehman Brothers supports your need to take time off from work as medically necessary to recover from your own illness or to care for someone else during an illness for whom you are the primary caregiver, such as your child or your parent. Sick days are intended for single day or short term absences and should be used as appropriate; you do not accumulate sick days at Lehman Brothers. If you are away from work for more than three consecutive days, you should consult with your divisional Human Resources representative as you may be eligible for an Employee Medical Leave of Absence or a Family Medical Leave of Absence under the Firm's policies (for more information regarding medical leaves, please refer to LehmanLive, keyword: leaves).

You may be required to provide medical documentation substantiating your absences, e.g., when your absence is due to a communicable condition, when you are sent home or to a medical professional due to the illness, or when your absences are excessive. Your manager and your divisional Human Resources representative can provide you with guidelines for "excessive" absenteeism (for more information, refer to the Attendance and Punctuality Policy in the Work Practices section of this Guide. Please note that excessive absenteeism will be addressed as a performance issue.

### **Religious Observance**

Lehman Brothers makes reasonable efforts to accommodate individuals' religious beliefs. This includes providing sufficient time off for religious observance if the absence does not cause undue hardship. At the beginning of each calendar year, you should schedule and use all available paid time off (personal and vacation days) for all known religious observances.

### **Bereavement Leave**

The Firm provides time away from the office in the event you suffer the loss of a family member. If you are benefits-eligible, you are provided up to one regularly scheduled week of leave with pay when a death occurs in your immediate family. Your manager may approve a request for additional time away from the office if there are extenuating circumstances.

For purposes of this policy, immediate family includes your spouse or domestic partner, child, parent, sibling, grandparent or grandchild, as well as your spouse or domestic partner's child, parent, sibling, grandparent or grandchild.

### **Jury Duty/Subpoena Duty**

Lehman Brothers supports your efforts to perform your civic duty by serving on a jury or testifying in a court of law. If called to serve, you should:

- present your manager with a copy of your juror summons or subpoena as far in advance as possible prior to the date you will be required to be away from work;
- call your manager daily to report your status;
- return to work during any regular office hours when you are excused from duty; and
- provide your manager with a notice of confirmation stating the duration of duty served.

If you are benefits-eligible and you are summoned for jury or subpoena duty, you will receive your regular pay for the period of active jury/subpoena duty for up to 4 regularly scheduled work weeks in any revolving 12 months. You are also permitted to retain any compensatory fees for performance of jury service (e.g., juror fees).

If you are not benefits-eligible, you are not entitled to receive your regular pay during jury or subpoena duty, unless otherwise required by applicable law.

### **Leaves of Absence**

#### **Overview**

During the course of your life, situations may arise that require you to be away from the workplace for a period of time. In recognition of your need to care for yourself or a family member and to take time off for other obligations, Lehman Brothers provides the following leaves of absence.

#### **Employee Medical, Family Medical and Child Care Leave of Absence**

Employee Medical, Family Medical and Child Care Leaves of Absence are intended to give you time off and continuing benefits with your job guaranteed. You may also be



eligible for salary continuation under the Employee Medical and Child Care Leave of Absence policies.

You may be eligible to take a leave of absence, for up to 12 weeks, for any of the following reasons:

- your own serious health condition prevents you from performing the functions of your job (EMLOA);
- you are needed to care for a family member (child, parent, spouse or domestic partner) with a serious health condition (FMLOA);
- the birth of your child or the care of your newborn child (CCLOA); or
- the adoption of your child or the placement of a child with you for foster care (CCLOA).

For more detailed information regarding these leaves, including eligibility, application procedures, compensation and benefits continuation, and job guarantee provisions, please speak with your divisional Human Resources representative or see the full policies at LehmanLive, keyword: leaves.

### **Workers' Compensation**

The Firm is committed to maintaining a healthy, safe work environment and to eliminating recognized safety and health hazards in the workplace. Workers' compensation insurance covers injuries or illnesses that are work-related. If you experience a work-related injury or illness, you should notify your manager as soon as possible.

Since workers' compensation insurance is governed by state law, coverage varies from state to state. Generally, in order to qualify for workers' compensation, your illness or injury must arise out of your employment, either occurring at the workplace or in the course of performing Firm-related business elsewhere.

If you are disabled as a result of an injury or illness that qualifies for workers' compensation, payments are made to compensate you for lost wages, subject to different waiting periods in the locations in which the Firm conducts business. The amount paid will vary based on the extent of your disability and on the schedule of payments set by the state and the Firm's insurance carrier. In addition, you may be eligible for salary continuation pursuant to the Firm's Employee Medical Leave of Absence policy. After salary continuation payments end, Workers' Compensation benefits may be available. To file a claim please contact the Human Resources Service Center at 212-526-2363.

### **Personal Leave of Absence**

On occasion, it may be necessary for you to take a leave of absence for personal reasons that are not covered by the Firm's other leave policies. Provided that your absence will not seriously impair the operations of the business, management may grant a job-guaranteed, unpaid leave of absence for up to 12 weeks. If you need to request a Personal Leave of Absence, please contact your divisional Human Resources representative.

### **Sabbatical Leave of Absence**

Lehman Brothers recognizes the contributions that long-tenured employees make to the Firm, and similarly values the contributions its employees make in the community. The Firm therefore offers employees the opportunity to take up to 12 weeks of partially paid sabbatical leave, with a job guarantee, to pursue life or work experiences in fields unrelated to the financial services industry. A sabbatical may be granted at your manager's discretion, in conjunction with your divisional Human Resources director, provided that your absence will not seriously impair the operations of your business or work group.

For more information about the Sabbatical Leave of Absence, please consult with your divisional Human Resources representative or refer to LehmanLive, keyword: sabbatical.

### **Military Leave of Absence**

The Firm supports service commitments you may have to the U.S. military and provides paid time off for this purpose for up to six months, with the opportunity for additional unpaid time off in accordance with applicable law. If you need to request a Military Leave of Absence, you should contact your divisional Human Resources representative. For more information, visit LehmanLive, keyword: leaves.

### **Programs and Services**

#### **Break in Service**

If you have prior service with Lehman Brothers or one of its predecessor firms, you are eligible to receive credit for your prior service under the Firm's Service Recognition Award Program, Leaves of Absence policies, Vacation policy and Severance policy.

Uninterrupted periods of employment are added together to determine the actual length of service. Any break in service is not included in calculating the total length of service.

This Break in Service policy does not apply to, or control, any of the Firm's other benefit plans, which have their own break in service rules not described in this guide.

For the purpose of this policy, prior service with an acquired company generally includes your last period of continuous service with that prior company. Please consult with your divisional Human Resources representative for your specific situation.

## **Cafeterias**

Lehman Brothers provides cafeterias at the following locations:

745 Seventh Avenue – 9<sup>th</sup> Floor (LehmanLive, keyword: cafe745)

7:30 A.M. – 10:30 A.M. Breakfast

11:30 A.M. – 2:30 P.M. Lunch

1271 Avenue of the Americas – 2<sup>nd</sup> Floor (LehmanLive, keyword: cafe1271)

7:30 A.M. – 10:30 A.M. Breakfast

10:30 A.M. – 11:30 A.M. Snack

11:30 A.M. – 3:00 P.M. Lunch

1301 Avenue of the Americas – 2<sup>nd</sup> Floor (LehmanLive, keyword: cafe1301)

7:30 A.M. – 10:30 A.M. Breakfast

11:30 A.M. – 2:30 P.M. Lunch

70 Hudson Street Cafeteria – 1<sup>st</sup> Floor (LehmanLive, keyword: cafe70)

7:30 A.M. – 10:30 A.M. Breakfast

11:30 A.M. – 2:30 P.M. Lunch

399 Park Avenue – Level B (LehmanLive, keyword: cafe399)

7:30 A.M. – 10:30 A.M. Breakfast

11:30 A.M. – 2:30 P.M. Lunch

Cafeteria hours are subject to change during and around Firm holidays. Modified schedules will be posted in the cafeteria, as appropriate.

To view the daily café menu options, go to the webpage for the cafeteria of your choice.

## **Car Service**

At certain times of the day and in certain locations, it may be appropriate for you to use a car service. For detailed information please visit LehmanLive, keyword: carservice.

## **Corporate Credit Cards**

The Firm issues American Express Corporate Cards and long distance calling cards to you if you regularly incur business expenses. These cards should not be used for personal expenses. You are responsible for settling your Corporate Card account within the required billing period. For application forms or additional information regarding corporate cards, please contact your divisional program administrator or Corporate Travel at (212) 526-3545. For additional information please visit the Travel & Expense section under Work Resources in Life@Lehman on LehmanLive.

### **Credit Union**

As an employee of Lehman Brothers, you, your family members and anyone residing in your household are eligible for membership in the US Alliance Federal Credit Union, a federally-insured, full-service financial institution. US Alliance Federal Credit Union offers a complete line of financial services including checking accounts, low cost loans and convenient access to your money. USAlliance has a full-service branch at 745 Seventh Avenue (21<sup>st</sup> Floor) where MetroCards and stamps are available for purchase.

For additional information regarding membership and services available, visit LehmanLive, keyword: creditunion or contact the US Alliance Credit Union directly at (800) 431-2754.

### **Employee Discounts and Ticket Sales**

The Firm has negotiated discounts with a wide variety of vendors to provide you with access to special rates at recreational, cultural and retail facilities. Discounts are offered on a wide variety of items including appliances, electronics, wireless plans, entertainment, flowers, jewelry, museum and theme parks. All discounts are subject to change. For detailed information regarding available discounts, please visit LehmanLive, keyword: employeediscounts. Discount cards and additional information regarding all discounts can be obtained from your divisional Human Resources representative.

In addition, although not discounted, the Firm owns a number of season tickets to virtually all major market home teams, as well as selected seats for theater and concert events. Tickets for these premium seats are generally used for client entertainment, but excess tickets are made available for employee purchase on a regular basis through the Sports and Theatre Tickets group. To learn more and view tickets currently available for employee purchase, visit LehmanLive, keyword: employeetickets.

### **Child Care/Back-up**

Lehman Brothers recognizes that parents of young children can experience temporary disruption with regular child care arrangements. To assist in these situations, the Firm provides you with access to Back-Up Child Care services for children ages three months through 12 years through two vendors: ChildrenFirst and Work Options Group. Services vary by location. For details, visit the Back-Up Child Care page under Life Balance in Life@Lehman at LehmanLive, keyword: childcare.

### **Service Recognition Award Program**

The Lehman Brothers Service Recognition Awards Program is designed to celebrate key milestones in your career at the Firm. Lehman Brothers commemorates service every five years with an engraved crystal award. In addition, employees with at least ten years of service are invited to select a gift from the Firm's Service Recognition Award

program. For more information regarding the program visit LehmanLive, keyword: serviceawards.

### **Employee Assistance Program**

The Employee Assistance Program ("EAP") is a professional and confidential counseling service that is available at no cost to you or members of your family. The EAP provides counseling and referrals to help participants understand and address a variety of personal issues.

There is a wide range of medical, behavioral, and personal problems, such as physical illness, emotional or financial problems, alcoholism, drug abuse, marital or family distress and other personal issues, that can affect your work performance.

The EAP helps to promote a healthy and productive work force. Generally, problems can be resolved if they are identified early and a referral is made to the appropriate resources. The Firm is prepared to provide help through the EAP, which is staffed with experienced and trained counselors. The situation need not be at a crisis level for you or a family member to call the EAP.

- The EAP is available 24 hours a day, seven days a week.
- You may contact the EAP at 866-216-8925.

You can be assured that your job security, compensation and opportunities for advancement will not be jeopardized because of your participation in the Program. However, participation in this Program does not provide any special privileges or exemptions from the Firm's standards of performance and will not delay action taken by managers to improve unsatisfactory job performance.

For more information, please visit LehmanLive, keyword: eap.

### **Employee Referral Program**

As a Lehman Brothers employee, you could receive up to \$10,000 if a candidate you recommend is hired.

Attracting, developing and retaining a diverse group of highly talented people is one of Lehman Brothers' most important business strategies. By having the best people, we will continue providing superior value and service to clients and customers, delivering attractive returns to our shareholders, and building a strong team and a great firm. You can play a part in helping the Firm strengthen its talent today and in the future-and be awarded for your efforts-through the Employee Referral Program.

For detailed information visit LehmanLive, keyword: employeereferral.

### **Expense Reimbursement**

The Firm has established a Travel and Expense Reimbursement Policy to ensure that business-related expenses are incurred in a manner that meets the objectives of the Firm, including revenue generation, cost containment and maximization of shareholder value. It is intended to provide reimbursement of reasonable and appropriate expenses fairly and expeditiously.

You are responsible for understanding the provisions of the policy and for ensuring that your expenditures are reasonable and necessary for the Firm's business and are in compliance with this policy and any regulatory/compliance requirement. Divisional CAO's and their designees, along with the Accounts Payable Department and each party whose approval is required for reimbursement, are responsible for ensuring that reimbursed expenses are in compliance with this policy. You should contact your divisional CAO or his/her designee before incurring any expense about which you are in doubt.

For the full Travel and Expense Reimbursement Policy, please visit LehmanLive, keyword: reimburse.

In order to expedite your expense reimbursement, the Firm can arrange to have your reimbursement check deposited directly into your bank account. Fill out a direct deposit form and submit it to the Payroll Department (available in the Forms and Documents section under Finances in Life@Lehman on LehmanLive).

### **Employee Activities Committee**

There is tremendous volunteer spirit throughout Lehman Brothers as proven by personal commitments and team efforts in many areas. The Employee Activities Committee seeks to create opportunities for that spirit to flourish by offering activities that are both competitive and social in nature and that bring colleagues together from across all areas of the Firm. The Committee, comprised of representatives from the Firm's businesses and corporate groups, partners with Corporate Philanthropy and Human Resources to propose, plan, promote and deliver employee-led charitable, social and sporting events and programs. For more information, to volunteer or join a team, or to recommend participation in a specific program, please visit LehmanLive, keyword: eac.

### **Medical Departments**

Lehman Brothers maintains facilities at 745 Seventh Avenue and 70 Hudson Street. In addition, Lehman Brothers employees are entitled to use the Citibank Health Center at 399 Park Avenue. In addition to general medical care for illness and injury, the Medical Departments provide preventive medical programs, health awareness education, communications and on-site promotions to enhance the physical, mental and emotional well-being of our employees of the Firm.

The following services are available:

- For general advice and medical care, you can visit the Medical Department at any time from 7:00 a.m. to 6:00 p.m. at 745 Seventh Avenue or 8:30 a.m. - 4:30 p.m. at 399 Park and 70 Hudson Street.

**Location**

745 Seventh Avenue, 21<sup>st</sup> Floor  
399 Park Avenue, Level A  
70 Hudson Street, 5<sup>th</sup> Floor

**Phone Number**

(212) 526-6315 (5-6315)  
(212) 599-3981  
(201) 499-9029 (6-9029)

- The Medical Departments are staffed with nurses and physicians.
- The on-site physicians are available to provide emergency treatment and consultation for many short-term medical conditions. Chronic medical conditions or those requiring ongoing care should be referred to your personal physician. Guidance is also available to help you select the appropriate medical care (primary care physician vs. specialist).
- The Medical Department also offers a variety of preventive health screening and referral services. Examples of the types of preventive care provided include: mammography, cholesterol, prostate and skin cancer screenings.
- Office ergonomics program information, flu vaccinations, allergy shots, business travel consultations and immunizations, and work-site safety services are available.
- Treatment for occupational illnesses, injuries, and emergencies are provided, as well as executive and pre-employment physical examinations.

Medical emergency: call 5-5555 (212-526-5555) from any Lehman Brothers location in NY or NJ. These numbers connect the caller to both the Medical and Security departments simultaneously and expedite response times.

For more information please visit LehmanLive, keyword: medicaldept.

**Relocation Program**

Based on business needs, Firm management may request that you relocate and work at a Lehman Brothers office in another location. If you are requested to relocate, you should contact your divisional Human Resources representative or the Firm's Relocation Department at (212) 320-6730 (3-6730) for more detailed information regarding the Firm's relocation guidelines.

**Health and Fitness Centers**

As part of our ongoing efforts to help employees manage their lives, we are pleased to offer a fitness program for employees. In the New York metropolitan area, membership to the Lehman Brothers Fitness Center (LBFC) at 745 Seventh Avenue (21st floor) is available to employees interested on a first come, first serve basis. The Firm also offers individual, significantly discounted memberships for employees, as well as their spouses/domestic partners to join New York Health and Racquet Club, Equinox Fitness Clubs or New York Sports Clubs (NYSC). Additionally, Drive 495, Manhattan's first private indoor golf and fitness club is offering preferred corporate rates to our employees.

For employees outside the New York metropolitan area, The Firm has also partnered with the International Fitness Club Network (IFCN), a Preventure company, offering employees access to Preventure's network of high quality health and fitness clubs. Through this partnership, employees will receive the lowest rate being promoted for the type of membership selected in their regional area. Rates vary according to the club size, location, facilities and programs offered.

For further information, please visit LehmanLive, keyword: fitnessprogram

### **Training and Advancement**

#### **Learning and Development**

Lehman Brothers' investment in the professional and personal development of employees exemplifies our commitment to build the capabilities and culture of the Firm. We foster a work environment in which each employee is provided with the necessary career development tools to be successful in their position, build a rewarding career and deliver the best solutions to clients.

We encourage each employee to reach their full potential and provide numerous opportunities for both training and development to enhance performance and assist in career development goals. Firm wide strategic programs focus on building leadership capability and promoting the culture of the Firm, while tactically-focused programs address specific development needs within departments. Training and development opportunities fall into four major categories:

- Leadership & Management
- Professional Skills
- Product and Business Knowledge
- Technology and Application

In addition to internal training and development opportunities, the Firm encourages employees to pursue external training and development when appropriate.



If you are required to maintain licenses or registrations to perform in your position, you are responsible for scheduling and attending the necessary training programs. You must obtain your manager's approval prior to registering or attending any training program.

### **Advancement and Promotion**

The Firm promotes employees who have demonstrated outstanding skills, performance, leadership, and values to fill leadership roles in the Firm and to represent Lehman Brothers to our clients. At the Firm, promotions may occur either through the annual title advancement process or through job promotions that recognize an employee's contributions.

#### **Advancement**

Once a year, the Firm advances qualified employees and confers upon them the corporate titles of Managing Director, Senior Vice President and Vice President or the non-corporate title of Assistant Vice President. Advancing the best qualified, most skilled leaders is critical to the Firm's long-term goals.

Employees who are nominated for advancement are evaluated based upon established performance criteria for advancement. The Firm's overall criteria include:

- scope of responsibilities and tenure in position; and
- individual evaluation;
- demonstrated performance and contributions to the Firm;
- skills and expertise that provide the basis of future performance;
- leadership;
- values and personal characteristics; and
- consistency of performance and future potential.

Each division has developed specific advancement criteria based upon levels and types of positions in the business unit. For additional information regarding advancement, please contact your divisional Human Resources representative.

#### **Promotion**

Lehman Brothers recognizes the need to provide upward career mobility outside the annual advancement process. Accordingly, Lehman Brothers promotes those employees who have demonstrated superior performance to positions involving additional responsibility at any time during the year.

## **Career Mobility**

The Firm supports internal mobility to meet individual professional and career development goals, as well as the Firm's business needs. Therefore, we encourage our managers to fill staffing vacancies through the transfer or promotion of current members of the firm, whenever appropriate. If you decide to pursue an internal transfer, you must inform your current manager prior to interviewing with the hiring manager.

### **Eligibility**

In order to be eligible for an internal transfer, your current performance must be satisfactory. In addition, you should not have any performance issues or warnings, either verbal or written, during the six-month period prior to applying for the transfer.

In most cases, you should be in your current position for at least one year prior to transferring, unless otherwise approved by the divisional Human Resources Director.

For more information regarding career mobility, please contact your divisional Human Resources representative or Corporate Staffing, or visit the Mobility section in Life@Lehman at LehmanLive, keyword: jobpostings.

## **Tuition Reimbursement**

Increasing skills and knowledge through higher education can benefit both you and the Firm. Lehman Brothers provides support for your professional development throughout your career with the Firm through our tuition reimbursement program. Employees interested in applying for tuition reimbursement should first obtain their manager's approval prior to registering or attending any training activity.

Some important information about the Tuition Reimbursement program:

- Some reimbursement under the Tuition Reimbursement Program may be taxable income to you. You are encouraged to consult with your tax advisor concerning which reimbursements may constitute taxable income and how these payments affect you.
- If you resign or are terminated for any reason prior to course completion, you will not receive tuition reimbursement. Employees who receive benefits under the Tuition Reimbursement Program must remain with the Firm for two years following the completion of any course for which reimbursement is received. All reimbursement is subject to your signed agreement that if you voluntarily leave the Firm, or leave the Firm for reasons other than a reduction in force, position elimination, job redefinition or change in control, before two years have elapsed, you are responsible for immediately repaying all tuition reimbursement made by the Firm during the previous two years.

- The Tuition Reimbursement policy does not cover tuition and related costs for Executive MBA programs, graduate degree programs that prepare you for a career outside of Lehman Brothers (e.g., a law degree or a masters or doctorate in education), or courses offered by non-accredited institutions such as the Institute of Finance.

For a complete description of criteria and more information about the program, please visit the Learning Resources section under Center for Learning and Development in Life@Lehman at LehmanLive, keyword: Tuitionre.

## **Work Practices and Standards of Conduct**

### **Overview**

In our industry, integrity and ethics are critically important because of the trust our clients and customers place in us. In building strong client relationships over the years, Lehman Brothers has both earned and benefited from the trust of the world's foremost institutions, organizations and individuals. The linchpin of that trust is the ethical standards and behavior of each member of the Firm.

As a world-class organization, Lehman Brothers is held to the highest professional and ethical standards. You are expected to use good judgment in accomplishing business objectives and providing service to clients. It is the Firm's philosophy to treat our clients, colleagues and all other people with whom we interact with respect and dignity.

### **Alcohol and Drugs**

Lehman Brothers regards alcohol and drug abuse as a serious social, economic, business and medical problem. The use of alcohol and drugs in the workplace has a potentially adverse impact on job performance, co-workers and the reputation of the Firm.

Therefore, you are not permitted to:

- Use, possess or manufacture illegal drugs on Firm premises or while conducting business off Firm premises;
- Report to work under the influence of illegal drugs on Firm premises or while conducting business off Firm premises;
- Abuse or misuse a legal drug on Firm premises or while conducting business off Firm premises;
- Consume alcohol on Firm premises, and/or report to work under the influence of alcohol. (Alcohol may be consumed in moderation at Firm-sponsored functions or business luncheons.); or

- Act in a fraudulent, dishonest or unlawful manner, including distributing or selling controlled substances.

Failure to comply with this policy may lead to appropriate disciplinary action, up to and including termination of employment.

#### Help for Substance Abuse Problems

If you need help addressing a substance abuse problem, either your own or that of a family member, you are encouraged to contact the Employee Assistance Program ("EAP") for professional, confidential counseling and rehabilitation advice. This service is available at no cost to you or your family members.

- The EAP is available 24 hours a day, seven days a week
- You may contact the EAP at (866)216-8925.

For more detailed information, please refer to the EAP section of Life Balance (LehmanLive, keyword: eap).

#### **Attendance and Punctuality**

In order to ensure that the Firm's business needs are met on a daily basis, you are expected to be ready to work at the start of your regular business day. However, the Firm recognizes that certain situations may arise that result in employee absenteeism or tardiness.

If you will be absent or late, you should contact your manager as soon as practicable, but no later than one-half hour before your scheduled start time on each day you will be absent or late. If you cannot reach your manager directly within the appropriate time period, you should leave a message with a telephone number where you may be contacted. You should not have someone else call, unless you are physically or otherwise unable to perform this duty.

If you have a serious medical condition that causes you to be frequently absent or late, you may be eligible for an Employee Medical Leave of Absence. Under these circumstances, you should contact your divisional Human Resources representative.

Failure to comply with the attendance and punctuality standards established by your manager may result in appropriate disciplinary action, up to and including termination of employment.

#### **Behavior Violating the Law**

We work in a highly regulated industry and are obligated to review arrest information and or charges, as well as the disposition of such matters. You are therefore required to

immediately inform your divisional Human Resources representative or an Employee Relations specialist if you are arrested or charged with violating any law during your employment. You are responsible for subsequently providing court documents describing the disposition of any outstanding arrests or charges. This includes charges or arrests that result in pre- or post-trial diversion, adjudication withheld, nolo prosequere, plea of no contest, conviction or guilty plea for any felony, misdemeanor or violation. Only minor traffic violations do not need to be reported.

The information provided will be considered in accordance with company policy and applicable law, but will not necessarily result in termination of your employment. Failure to report such information in a timely manner may result in disciplinary action up to and including immediate termination of your employment.

### **Code of Conduct**

Lehman Brothers' Code of Conduct describes the legal and ethical framework which governs our day-to-day interactions. More important, however, it reflects how we think and feel about doing business, the values we hold and look for in others and how we want to distinguish ourselves as a firm. You are expected to conduct yourself in an appropriate manner at all times and to abide by the letter and the spirit of the Code of Conduct, as well as the other policies and procedures that apply in your particular business and geographical area.

The sections of the Code of Conduct contain policies relating to:

- Conflicts of interest
- Safeguarding Firm and client property
- Intellectual property
- Business practices
- Money laundering and other criminal activities
- Dealing with other people
- Dealing with governmental and regulatory bodies
- Lawsuits, arbitrations, and customer complaints
- Books and records

You should be familiar with all of the policies included in the Code of Conduct and ask questions of your manager or the Legal or Compliance Department if there is anything that you do not understand. Copies of the Code of Conduct may be obtained from the Compliance Department site on LehmanLive, keyword: codeofconduct.

### **Compensation Information Confidentiality**

It is the Firm's position that an individual's compensation and participation in benefits programs are highly personal in nature and, therefore, are to be considered absolutely confidential between the individual and the Firm.

Revealing the compensation and/or benefits information of another individual at the Firm to anyone is unacceptable.

Failure to maintain confidentiality of compensation and/or benefits information may result in appropriate disciplinary action, up to and including termination of employment.

### **Dress Code**

As a mode of dress creates an image perceived by colleagues, clients, and the general public, the Firm has developed guidelines to assist you in determining appropriate attire. During regular business hours professional business attire is required, except for Fridays between Memorial Day and Labor Day, the day before a holiday and the day after Thanksgiving, when our flexible dress policy is in effect.

#### **Appropriate**

The following business casual attire is appropriate on casual dress days:

- Shirts with buttons and collars; blouses; dresses; skirts or pants.
- Jackets and ties are not required.

#### **Not Appropriate**

Below are some examples of attire that are not appropriate in a professional work environment at any time:

- Articles of clothing that are not appropriately laundered or ironed;
- Golf or tennis shirts;
- Jeans, jean-style pants, shorts or capri pants;
- Any denim attire (e.g., shirts, pants, jackets, skirts, etc.);
- Sweats, warm-up suits, leggings or other exercise clothing;
- Tee-shirts, halter tops, backless clothing or any clothing that exposes the midriff or navel;

- Shirts with writing or slogans (with the exception of manufacturers' logos);
- Sneakers, running shoes, beach-type sandals, slip-on backless shoes or boat or deck shoes (e.g., Docksidors);
- Shoes worn without hose (e.g., socks or pantyhose).

Dressing in a manner that is controversial or provocative is not appropriate at any time. Inappropriately attired individuals who report to work may be asked to return home and change into appropriate attire.

Failure to comply with this policy may result in appropriate disciplinary action, up to and including termination of employment.

### **Employment of Relatives**

Lehman Brothers is committed to providing a positive work environment. Therefore, practices that have the appearance of impropriety are not appropriate. As a result, you may not work in conjunction with, or under the direct or indirect supervision of, a relative.

On occasion, the nature of the relationship between two individuals who are unrelated may also pose a conflict of interest. You are encouraged to notify the appropriate manager if such a relationship exists between you and a candidate or between you and another member of the Firm. In most circumstances, the same guidelines apply as those for employing relatives.

If you have any questions regarding this policy, you should contact your divisional Human Resources representative.

### **Environmental Practices**

The Firm complies with and supports applicable laws aimed at improving or protecting the environment. Accordingly, the Firm encourages widespread participation in a variety of environmental programs, including those that foster waste reduction, energy conservation and the elimination of pollutants.

You should comply with all related Firm policies and applicable environmental laws of the jurisdiction in which you work, including recycling efforts and policies aimed at reducing automotive emissions caused by commuter travel.

### **Performance**

Lehman Brothers fosters a work environment in which you are provided with the necessary tools to be successful in your position.

## Performance Appraisals

In most departments, individuals receive performance appraisals on a regular basis.

## Performance Issues

In those circumstances where performance issues exist, they are generally addressed through the use of a progressive discipline process. The progressive discipline process is designed to clarify understanding of the following: position requirements; Firm expectations of performance; and methods to grow and develop professionally.

Progressive discipline may include the following steps: verbal warning, written warning, suspension and/or termination of employment. In management's sole discretion, some or all of these steps may be omitted depending upon specific circumstances.

## Addressing Misconduct

While the Firm generally strives to address poor performance through the progressive discipline process, there are certain circumstances in which immediate suspension or termination of employment may be necessary, such as misconduct.

Misconduct may include, but is not limited to, the following: physically or verbally threatening behavior; dishonesty; falsification of time records or other Firm documents; unapproved concurrent employment with another company; being under the influence of alcohol or illegal or controlled substances during work hours; theft; insubordination; gambling on the premises; disorderly conduct or conduct detrimental to the Firm's reputation; possession of a weapon on Firm premises; willful or negligent destruction of the Firm's or another individual's property; mutilating or altering documents or identifications; failure to notify the Firm of any criminal arrest during your employment; failure to cooperate in any investigation conducted by the Firm; inappropriate use of Firm technology; leaving work without authorization; failure to provide appropriate notice to the Firm of your termination of employment; soliciting individuals to leave the Firm; violation of Code of Conduct policies; violation of Securities and Exchange Commission rules or applicable rules of any self-regulatory organization or other governing body; and/or improper disclosure of confidential or sensitive information.

## Personal Information

It is your responsibility to update the Firm with any changes to the information that the Firm maintains about you, including your address, telephone number and benefits data (e.g., dependents, beneficiaries, marital status, etc.). You are expected to provide updated information to your divisional Human Resources representative and the Human Resources Service Center as soon as you become aware of a change that will affect the Firm's records.



## **Problem Resolution Guidelines**

### **Overview**

While you are encouraged to speak with your manager regarding workplace issues that arise, the Problem Resolution Guidelines provide a more formal avenue for you to bring any thoughts or concerns to management. The Guidelines outline a process through which you may present issues, suggestions or ideas to management.

You may raise any matter of concern through these guidelines, such as questions about your salary, a difficult co-worker, suggestions for improved work practices, reports of harassment or discrimination, or knowledge of suspected unethical or illegal behavior.

### **Steps**

If you believe that for some reason you cannot go through the channels recommended below, you may initiate discussion at any appropriate level. You are encouraged to consult with your divisional Human Resources representative or an Employee Relations Specialist for guidance on presenting your issues to management and pursuing the recommended procedure.

#### **Step 1**

Discuss the issue with your manager as soon as possible after the issue arises. Your manager will determine whether it is appropriate to investigate the situation or refer the issue to your divisional Human Resources representative for investigation. Your manager will let you know if he/she is referring the issue to his/her manager or Human Resources.

#### **Step 2**

If you are not satisfied with the resolution at Step 1, or if your manager advises you to do so, you should meet with the next level of management in your department. At this meeting, the issue will be discussed and, if possible, resolved.

#### **Step 3**

If you are not satisfied with the resolution at Step 2, or if your manager or the manager at the next level advises you to do so, then you may continue upward through the levels of management to discuss the issue.

#### **Step 4**

If you are not satisfied with the resolution at Step 3, or if your manager advises you to do so, the issue can be discussed with your divisional Human Resources representative or an Employee Relations Specialist at any time. Your divisional Human Resources representative or Employee Relations Specialist will investigate the problem, making all necessary inquiries, so that a fair and equitable resolution can be achieved. If you request

it, your divisional Human Resources representative or Employee Relations Specialist will review the recommendation with the Chief Human Resources Officer. The proposed resolution also will be reviewed with appropriate managers from your business unit.

### **Reviewing Your Record**

You may review the information maintained by Corporate Human Resources/Employee Records at any time that is mutually convenient for you and your manager for you to be away from your work area. Copies of documents will be provided to you where required by applicable law.

If you have any questions regarding these records, or if you would like to know whether you are entitled to copies of these records, contact your divisional Human Resources representative.

### **Smoking Policy**

Lehman Brothers provides a smoke-free work environment for our employees. Smoking is prohibited throughout all workplace areas, at all locations throughout the United States.

If you have questions regarding the smoking policy at your location, contact your divisional Human Resources representative.

All members of the Firm and individuals who are visiting the Firm are required to comply with the smoking policy. If you fail to comply with this policy, you will be subject to appropriate disciplinary action, up to and including termination of employment.

### **Solicitation and Distribution**

Lehman Brothers is committed to providing a productive work environment. To this end, solicitation of one member of the Firm by another during working time, on Firm premises, is not permitted. Solicitation includes selling or seeking contributions to charities, and offering goods or services, tickets, petitions, memberships or authorizations for memberships in organizations. Working time includes any time you are expected to be performing job duties. It does not include break time or meal time.

Posting unauthorized materials on Firm bulletin boards, or distributing unauthorized materials in work areas or via the Firm's email system, also is not permitted. The personal distribution or posting of literature, leaflets, pamphlets, notices, cards, advertising, telefaxes, electronic mail, chain letters, or any other material is strictly prohibited within working areas at any time. Bulletin boards, electronic mail systems and other official posting areas on Firm premises or through Firm technology are for the display of Firm-sponsored or authorized notices relating to Firm business (including policies, programs and benefits).

Failure to comply with this policy may lead to appropriate disciplinary action, up to and including termination of employment.

Unauthorized individuals who are not employed by the Firm are not permitted on Firm premises and are prohibited from soliciting members of the Firm, using bulletin boards or Firm equipment, or distributing anything on Firm premises at any time.

If you become aware of violations of this policy, you should immediately contact your divisional Human Resources representative. This policy does not apply to Firm-sponsored participation in charitable or community service programs.

## **Use of Technology Policy**

### **Introduction**

The Firm's technology<sup>5</sup> provides Lehman Brothers with a valuable tool for sending and receiving information and providing superior service to our clients and customers. Use of this technology comes with responsibilities that have security, compliance, productivity and ethical implications. The following global policy has been promulgated to clearly communicate the Firm's expectations with respect to the use of Firm technology and the high standard of conduct expected of employees at all Lehman Brothers locations worldwide.

### **Covered Individuals**

This policy applies to all users of Lehman Brothers' technology, either at one of the Firm's worldwide office locations or from a remote location, and covers employees, agents, individuals working through temporary agencies and consultants.

### **Policy**

#### **Firm Property**

Lehman Brothers' technology is intended primarily for use, and is the exclusive technology to be used, in conducting Firm business and may be used in only limited circumstances for non business-related purposes. All electronic communications that are stored, composed or transmitted, including electronic mail and file transfers, over internal and external networks, are the property of Lehman Brothers and will be monitored and/or intercepted at the Firm's discretion. As such, all users shall conform to any security measures, which are in place to protect computer equipment and access control, and exercise proper control over passwords or any other security mechanisms.

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<sup>5</sup> Technology includes, but is not limited to, all of the Firm's processing hardware (mainframe, servers and desk top computers), software (applications that support business processes, operating systems, utility software), networks and networking applications (PDAs, phone systems, voice mail, electronic mail, including instant messaging, facsimile machines), and market data systems.

### **Appropriate Use**

- The Firm's technology may be used to send communications to clients, customers, Lehman Brothers colleagues and, on a limited basis, other individuals;
- Lehman Brothers' internet access may be used for information retrieval, research and approved business-related purchases;
- The Firm's technology may be used for limited personal use, e.g., checking the weather on the internet for vacation destinations, quick correspondence through the electronic mail system with family members and friends, and checking flight arrival/departure times for personal travel. It is essential that the use is not excessive and does not interfere with business-related responsibilities or activities;
- Technology use, including processing of data, should comply with all Firm policies and applicable laws and regulations, including laws governing the transmission of personal data. For more information, please refer to the Lehman Brothers Information Security Guide and the Lehman Brothers Global Protection of European Personal Data Policy.

### **Inappropriate Use**

The viewing, downloading, transmitting or accessing of sexually oriented material including, but not limited to, pornographic material, or offensive speech is strictly prohibited. In addition, the Firm's technology may not be used to:

- Transmit messages or access Internet sites that disparage individuals on the basis of race, color, religion, gender, national origin, citizenship, veteran status, marital status, disability or sexual orientation or any other characteristic protected by local law;
- Send messages or access Internet sites that are not consistent with or violate the Firm's Equal Employment Opportunity policy, the policies contained in the Firm's Code of Conduct or any other Firm policy;
- Access, disclose or in any way make use of information that is not authorized or otherwise outside the scope of an individual's employment;
- Forward or otherwise redistribute documents or information designated as "Internal Use Only";
- Solicit for charitable contributions or other non work-related items not sponsored by Lehman Brothers;

- Originate or distribute chain letters;
- Send messages to large groups of employees (e.g., office-wide or divisional communications) without appropriate authorization. In most cases, appropriate authorization can be secured by contacting Corporate Communications;
- Participate in investment-related news groups, chat rooms or other public electronic bulletin boards or otherwise conduct business or communicate with the public in a manner that is inconsistent with the Firm's policies regarding communications with the public (See Chat Rooms and Bulletin Boards below);
- Advance personal gain or profit;
- Establish a personal public presence (i.e., "Web Sites") on or through the Firm's systems;
- Buy items from any source on the internet unless the item being purchased is approved as a business expense and is being purchased from an authorized vendor or has otherwise been authorized by the Firm; or
- Engage in other, non business-related purposes not contained within the exceptions described above under "Appropriate Use".

### **Chat Rooms, Bulletin Boards and Blog Sites**

Electronic traffic on the Internet is not anonymous. All Internet traffic originating from Lehman Brothers' technology can be traced to the Firm. Regardless of whether a communication emanates from the Firm's technology, employees may not use the Firm's name, identify themselves as employees of the Firm or transmit communications relating to the Firm or the securities business in any public forum on the Internet, including but not limited to, chat rooms, bulletin boards and blog sites.

### **Guidelines for Drafting Electronic Communications**

When drafting electronic communications, please be reminded of the following:

- All communications sent or received through the Firm's technology are retained, stored and subject to review to insure compliance with the Firm's policies and legal and regulatory obligations;
- As such, communications should be drafted in a manner that is consistent with the Firm's values of treating others with respect, as well as accepted business ethics and standards;
- Any questions regarding the appropriateness of any communication should be directed to your manager, your divisional Human Resources representative, Compliance or Employee Relations.

## **Policy Compliance**

1. The Firm's technology will be monitored and/or intercepted at Lehman Brothers' discretion to determine whether use is in accordance with this policy, and to investigate claims of inappropriate use of the Firm's systems. In this regard, all internet access through the Firm's technology is recorded and reviewable.
2. All employees are responsible for ensuring adherence to this policy and for taking appropriate steps, including notifying their manager, their divisional Human Resources representative or a representative in the Employee Relations Department in New York (e-mail: [employeerelations@lehman.com](mailto:employeerelations@lehman.com)), if they believe that a violation of this policy has occurred.
3. Violations of the policy on Appropriate Use of Lehman Brothers' Technology will result in appropriate disciplinary action, up to and including the termination of an individual's employment.

## **Workplace Safety and Health**

Lehman Brothers is committed to maintaining a healthy, safe work environment and to eliminating recognized safety and health hazards in the workplace.

You are expected to comply with all applicable health and safety laws of the jurisdiction in which you work and with all related Firm policies. In order to ensure workplace safety, you should immediately report any unsafe conditions, hazards, broken equipment or accidents to your manager or divisional Human Resources representative.

If you have experienced a work-related injury or illness, please refer to the Worker's Compensation section of this Guide.

## **Separation**

### **Overview**

We hope that you have a successful, mutually beneficial relationship with the Firm. However, should you leave Lehman Brothers, you may have questions about the exit process. If you have any questions that are not covered here, please call the Human Resources Benefits Service Center at (212) 526-2363.

### **Arbitration**

To the extent permitted by law, any controversy arising out of, or in connection with your employment or separation from the Firm shall be submitted to arbitration before the National Association of Securities Dealers, Inc., the New York Stock Exchange, Inc. or the American Stock Exchange Inc. and shall be resolved in accordance with the rules of such entities then in effect.

## **Benefits**

The Guide to Leaving Lehman Brothers contains answers to your questions regarding the treatment of your benefits plans when you leave the Firm. It also summarizes the procedures and time frames necessary for conversations and/or distributions under the Firm's benefits programs. You can obtain the Guide to Leaving Lehman Brothers from your divisional Human Resources representative. For more specific personal information, please call the Human Resources Service Center at 212-526-2363.

## **Notice Policy**

Lehman Brothers believes that the Firm, our employees, and our clients all benefit from the advance notice of an employee's separation from the Firm. Advance notice allows for the smooth transition of job responsibilities and of client and other business relationships.

For Corporate Officers (Vice Presidents and above) excluding wholly commissioned employees

If you resign from your position at the Firm, you are required to provide written notice of your resignation to your manager and divisional Human Resources representative at least 30 calendar days prior to the day on which you would like your resignation to be effective. This 30-day notice period will apply unless you are required to provide a longer period of notice under any applicable policy or agreement with the Firm.

If you are asked to leave by the Firm, the Firm will provide you a minimum of 30 calendar days of notice prior to your separation date, or salary continuation in lieu of notice, unless your termination by the Firm is with "cause" (as defined in the Lehman Brothers Severance Plan). Notice under this policy (or salary in lieu of notice) would be in addition to any severance for which you may be eligible under the Lehman Brothers Severance Plan.

During your notice period, your base salary and benefits will continue, but you will not be eligible for discretionary bonus payments or the accrual of additional vacation or personal days. Your manager will determine whether you will be required to report to work during your notice period and what your continuing job responsibilities, if any, will be during this time. During your notice period, you will remain an employee of the Firm. This means that you must continue to comply with all Firm policies, and that you may not perform any services for another firm or otherwise act in another firm's interests.

Violations of this policy may result in disciplinary action up to and including the involuntary termination of your employment, without notice pay, and may affect your eligibility to receive any outstanding equity awards, whether vested or unvested.

For All Other Employees

If you resign from your position at the Firm, you are expected to provide at least two weeks notice. Your manager will determine whether you will be required to report to work during your notice period. Please refer to the Lehman Brothers Severance Plan for your eligibility for notice pay or other benefits in the event you separate from the Firm involuntarily.

### **References and Employment Inquiries**

It is the Firm's policy to provide limited information to non-Lehman individuals or organizations. The Firm will provide information regarding your dates of employment, job title, status and income.

Requests for employment verification are handled by Verify Job System® at [www.vjsus.com](http://www.vjsus.com). Requestors will need to provide your Social Security number to obtain your employment information. To verify payroll information, requestors will need a PIN. You may create a PIN by logging onto the system at [www.vjsus.com](http://www.vjsus.com) or by calling 800.800.4VJS (4857). The Firm's employer code is 7420. You also have the option to *prohibit* access to your payroll information.

Requestors can access the verification system 24 hours a day, 7 days a week online at [www.vjsus.com](http://www.vjsus.com) or by calling 800.800.4VJS (4857).

### **Severance**

The Lehman Brothers Inc. Severance Plan is intended to help bridge individuals to their next employment opportunity. Please contact your divisional Human Resources representative or Employee Relations for a copy of the Summary Plan Description of the Severance Plan, or visit the Separation section under Lehmanlive, keyword: guide. The Firm reserves the right to change or terminate the Severance Plan at any time.

### **Unemployment Insurance**

Eligibility for unemployment insurance benefits is determined according to state requirements. Generally, unemployment insurance benefits are available to those individuals who lose their jobs through no fault of their own. Depending upon the state in which you worked, certain post-termination payments may disqualify you from receiving unemployment insurance benefits until these payments end.

To obtain unemployment insurance benefits, you must file your claim for benefits at the Unemployment Insurance office in the state in which you worked.

### **Vacation Eligibility When You Separate**

If you separate from the Firm, either voluntarily or involuntarily, you will not be eligible to receive pay in lieu of unused vacation days, except as required by applicable law or pursuant to The Lehman Brothers Inc. Severance Plan.